

REQUEST FOR PROPOSALS

TO: Commercial Real Estate Agents, Owners & Managers
FROM: Linda S. Miller, Leasing Manager
State of Idaho, Department of Administration, Division of Public Works
DATE: April 17, 2006

NOTE: Please read this document carefully. Certain requirements have been changed in order to expedite the evaluation of lease offers. A LEASE PROPOSAL FORM SHOULD BE FILLED OUT COMPLETELY TO CONSIDER THE LEASE PROPOSAL. Submittal of the Lease Proposal Form indicates Proposer's acceptance of the conditions governing this lease and conformance with all requirements of the Request for Proposals.

The State of Idaho is seeking to lease approximately **12,500 usable** square feet of new or existing office space for occupancy by the **Department of Health and Welfare**. Proposals shall base facility costs upon Net Rentable Area, as defined by the Building Owners and Managers Association (BOMA) standard for measuring floor space. Net Rentable Area will vary from building to building but should include usable square feet plus prorated common area space, if applicable. At the discretion of the Department of Administration, Division of Public Works, the lease proposals received may also be considered for use by other state agencies.

DUE DATES

Proposals are due by **May 23, 2006** at the Division of Public Works, 502 N. Fourth Street 83702, PO Box 83720 Boise, ID 83720-0072. The Department of Health and Welfare is seeking a tentative occupancy date of as early as **December 2006** or upon building completion. For further information on the RFP process, contact Linda Miller, Leasing Manager, Department of Administration, Division of Public Works at (208) 332-1929.

LOCATION

All proposed sites must be appropriately zoned and should offer convenient access to the public. Proposed sites must be within a ten (10) mile radius of **Sandpoint**, Bonner County, Idaho. The **Department of Health and Welfare** has expressed a preference for a location with proximity to Highway 2 or other major highways in the area.

THE LEASE

The State's standard lease form, attached at the end of this request and noted as Exhibit C, will be used. STANDARD LANGUAGE WITHIN THE LEASE FORM IS **NOT** NEGOTIABLE.

The initial term of the lease will be for **five (5) years** with an option for an additional five (5) year period. As an alternative, a ten (10) year lease could be considered. The lease will contain an

annual funding appropriation clause.

Proposer should provide Lessee an option to purchase the facility at specified intervals after the first year of the lease, including renewals. Proposer should provide the purchase price for all years for which the option exercise is applicable and any other relevant information.

As an alternative, the State may consider a ten (10) or twenty (20) year lease term with an option to purchase the building at these ten or twenty year intervals. In this case, the Lessor would have to agree that after the ten (10) or twenty (20) year term, if the Idaho Legislature authorized a time purchase pursuant to Idaho Code § 67-5708, title to the facility and real property would go to the State. Proposer should provide the yearly lease price for all ten (10) or twenty (20) years under this scenario and any other relevant information.

The exercise of either option described above must be done in accordance with applicable provisions of the Idaho Code, including Idaho Code § 67-5708. Idaho Code § 67-5708 allows for lease purchase or other time purchase agreements when a facility is authorized by concurrent resolution and a maximum cost is set by concurrent resolution.

COST OF LEASE

The estimated annual cost of the lease should be at a competitive market rate per square foot per year for a full-service lease. Full-service will include, but is not limited to: property taxes, utilities, facility repair and maintenance, landscape maintenance, snow removal and custodial services. The State may require a background check of personnel such as the custodial staff who have access to the facility. The proposal should detail the amount of the tenant improvement allowance included in the rental rate.

USE

It is projected that **43** state employees will be working in the facility and that approximately 25 clients per hour will be visiting the facility during peak operating hours.

PROPOSAL ASSISTANCE

The Department of Health and Welfare is able to answer questions related to client and staff usage of the proposed space and the relationship between the programs occupying the space. More detailed information on facility requirements and use may be obtained by contacting Jeannie Cook, (208) 799-4402, cookj2@idhw.state.id.us.

CONFIDENTIALITY

All proposals will remain confidential until a lease has been executed. Submitted proposals will become the property of the State of Idaho and will not be returned.

PROCESS OF SELECTION

INITIAL EVALUATION. A committee composed of the Leasing Manager of the Department of Administration, Division of Public Works, or a designee, and staff of the Department of Health and Welfare and which may also include other non-state personnel will evaluate each proposal. Each proposal will be evaluated based upon an established set of criteria and a weighted evaluation. The rating factors, with the Department of Administration's recommended range of evaluation weights, is included in Exhibit A. The ranking sheet to be used in this Request for Proposals process is included in Exhibit B. These rating factors can provide you with an idea of what issues are most important to the department.

INTERMEDIATE EVALUATION. The committee may request additional information or clarification regarding any of the ranked factors during the initial or intermediate evaluation from one or more of the respondents. Additional information or clarification requested may include a credit report, financial statements or an affidavit indicating that Proposer is not in default in payment of any taxes, excises or license fees due. If Lessor is a partnership or a corporation, Lessor may be

required to submit evidence that the entity is authorized to do business in the state of Idaho. The committee may elect to visit one or more of the proposed sites to evaluate location and facility issues.

FINAL EVALUATION. Proposals will be ranked and negotiations will begin with the representatives of the top-ranked proposal. If negotiations are successful, a lease will be completed. The State's standard lease form, attached as Exhibit C, will be used. STANDARD LANGUAGE WITHIN THE LEASE FORM IS NOT NEGOTIABLE.

Should negotiations with the top-ranked Proposer be unsuccessful, negotiations will be opened with the second ranking Proposer and so forth until a suitable lease is obtained. The State reserves the right to disqualify all proposals as unacceptable and to take any necessary action to obtain suitable space.

All final plans and specifications must be prepared by an architect licensed in the State of Idaho. Plans and specifications may also be subject to review by the Permanent Building Fund Advisory Council pursuant to Idaho Code § 67-5710A. Detailed General Outline Specifications and Communication Specifications shall be provided to Proposer during the negotiation process.

ON-GOING REVIEW

At the State's option, the State may require the Lessor to provide insurance certificates prior to the commencement of any construction naming the State as an additional insured and may require the Lessor to indemnify and defend the State against any claims and to warrant and guarantee material, equipment and workmanship. If the facility shall be new construction, Lessor shall furnish to the Division of Public Works a copy of the Lender's commitment on the permanent loan, together with a copy of the title policy for the facility as soon as they can be made available.

ACCEPTANCE OF THE FACILITY

A copy of the certificate of occupancy as issued by the local governing authority, together with a copy of the as-builts and warranties for the facility, shall be furnished to the Department of Health and Welfare prior to occupancy of the facility. At its discretion, the Department of Health and Welfare may have the Division of Building Safety inspect the premises prior to executing the Lease.

HOW TO MAKE A PROPOSAL

All proposal information must be summarized on the Lease Proposal Form attached to this Request for Proposals. The form can also be obtained by accessing the Division of Public Works web page at http://adm.idaho.gov/pubworks/facilities/leasing/index.htm#real_estate. A copy can also be sent to you upon request. **PLEASE PROVIDE THREE COPIES AND DO NOT BIND PROPOSALS. Incomplete items may cause the proposal to be disqualified.**

GENERAL PROPERTY REQUIREMENTS

SITE:

- Parking lot to be paved, striped, and well lit. Adequate outdoor lights, fitted with photocells and timers, shall be placed directly above each outside entryway and around the perimeter of the building. Parking shall include 80 paved parking spots. Of the required parking spaces, **50** shall be for staff, **20** shall be for clients, and **10** spaces shall reserved for state vehicles. Public parking at the curb or street side may not be included in the required space count. Parking on the property shall be required to accommodate deliveries and other parking priorities.
- Handicapped spaces will be in close proximity to the building entrance. All improvements to the site, whether existing or new, must meet or exceed the handicapped accessibility requirements by ADA.
- Professionally manufactured signs must be installed and prominently located so as to be visible from the street. At a minimum the sign will include the agency name, street number and logo.
- The exterior of the building and the landscaping should be aesthetically pleasing and project the impression of professional office space. The building's exterior shall be compatible with the surrounding community. In areas with severe weather conditions, the building design shall be

appropriate and functional, especially with regard to specific site requirements including, drainage, heavy snow situations, and solar orientation.

BUILDING:

- All areas within the proposed building must be accessible to the handicapped.
- The interior office will be divided into usable space per the attached requirements. For acoustic value, a dropped ceiling may be required.
- To the extent possible, the building should have windows or skylights to provide natural lighting for employees in work areas. Private offices along interior walls shall have partial glass or sidelights. Window coverings, such as mini-blinds, are required on all interior and exterior windows.
- The Proposer will provide a qualified, professional space planner to prepare a detailed space plan acceptable to the Lessor and Lessee. The building must be designed by an architect or engineer licensed in the State of Idaho.
- Lessor shall allow Lessee to install exterior cameras on building perimeter. Lessor shall supply electricity to building perimeter and inside lobby to accommodate security cameras. Locations to be detailed on final drawings.
- Lessor shall supply professionally manufactured identification signs for each division or bureau, which will be installed in the vestibule or the building lobby. All restrooms and all public areas, such as conference rooms, and the department identification signs shall include Braille lettering.
- Any crawl space beneath the building should be easily accessible from within the building.
- Front entry should have a "double-entry" arrangement so the public must pass through two sets of doors to enter into the office area. This is to reduce wind blowing directly into the office and to reduce loss of heat during the winter.
- All client entrance doors shall include automatic openers.
- Storage rooms may need to have reinforcement in wall studs to adhere to department purchased industrial shelving racks.
- The Server Room and the Computer Room must have adequate ventilation systems to maintain constant 72 degree temperatures.
- Safety Code 1, requiring that the mechanically operated ventilation system shall supply a minimum of five (5) cubic feet per minute of outside air with a total circulation of not less than fifteen (15) cubic feet per minute per occupancy in all portions of the building and kept continuously operating when building is occupied, must be met. The system should be designed to accommodate any unique needs associated with severe weather conditions, solar gain, or unusual temperature fluctuations.
- Office area shall be fully carpeted with a 32-ounce or better commercial grade carpet with a heavy traffic classification, except for restrooms, breakrooms, storage areas and vestibules. Areas not carpeted shall be covered with a high quality commercial vinyl floor. Vestibules shall be covered with ceramic tile.
- Lessor must provide a safe work environment, certified to be free of airborne asbestos. Any costs related to abatement will be borne by the Lessor. Public restrooms shall be designed to meet ADA standards with number of facilities as required.
- A full-service lease is required. At a minimum, daily custodial services such as damp mopping vinyl areas, vacuuming carpeted areas, sanitizing restrooms, emptying waste receptacles, cleaning door and partition glass, dusting, etc., are to be provided. Custodial service shall

provide adequate matting at all entries and at reception counter. Matting shall be periodically cleaned on an "as needed" basis.

- Outside ground maintenance shall be provided on an "as needed" basis. Snow removal shall include removal of snow from parking lots and walkways. Removal shall be performed weekdays prior to 8:00 a.m. Priority shall first be given to keeping handicapped spaces clear and to ingress, egress, and fire lanes, secondly to customer and employee parking areas, and lastly to overflow parking areas. An area shall be designated for snow storage. Areas subject to ice accumulation shall be treated with de-icing agents as necessary.
- Lighting shall be lay-in ceiling type.
- Mechanical and electrical rooms may be divided to allow a janitorial closet with hot water heater.
- Staff breakrooms shall be equipped with a sink, refrigerator, laminate countertop, and cupboards. Breakroom shall be wired and plumbed for hook-up of refrigerator, microwave, coffeemaker, and other countertop appliances.
- Reception area/waiting rooms shall be designed to discourage client traffic into staff working areas.
- Two public restrooms, 2 staff restrooms, and 1 staff restroom with shower for decontamination. Number of fixtures shall be determined by code.
- Mail/copy, conference, classroom, restrooms and therapy rooms shall be insulated for sound.
- Client lobby shall include a sitting area, drinking fountain, computer terminal, and telephone.

DATA & PHONE:

- At a minimum, the building must be pre-wired for voice and data communications, meeting any applicable Building Industry Consulting Services International (BICSI) and the State of Idaho's Information Technology Resource Management Council ("ITRMC") standards. The cost for pre-wiring shall be borne by Lessor, in compliance with Department's explicit specifications and as identified on agreed-upon interior office design layout completed before construction. At a minimum, this will require the installation to each work area duplex outlets and two sets each of modular four-plex jacks for data and phone hook-ups with enhanced 5E communications cable (Cat 5E or higher).
- Contractor shall pull four parallel runs of standard 4-pair (Type #) twisted pair cable to each outlet/workstation for telephone and data communications, label both ends, and terminate each pair at the modular RJ45 duplex jacks (RJ45=568A or B) and at the patch panel block in the data/phone room. Additional runs will be required in some locations to accommodate areas that have higher concentrations of computer peripherals. Cables shall be tested and certified before occupancy. Installation and materials supplied shall be in accordance with current Electronic Industry Association/Telecommunication Industry Association standards (EIA/TIA) 568 A or B.
- The data/phone room may not to be located in the same room as the mechanical, electrical and janitorial room. The data/phone room shall allow access to a 19" standard floor-standing rack assembly. It must have a dedicated electrical circuit for communication and telephone control equipment with a minimum of ten electrical outlets in close proximity to the panel and block. Air-cooling and airflow must allow the room not to exceed a temperature of 72°.
- Dedicated circuits with isolated ground shall be provided for the computer network file server, telephone equipment, copiers, FAX, and the central printer.

EXECUTIVE ORDERS: Executive Order 2005-12 states that the efficient use of energy is of prime importance to the well-being of the State of Idaho and energy conservation is to be a major consideration in the construction of all state buildings and the execution of lease agreements.

Executive Order 2005-10 requires that all state-owned or state-lease buildings, facilities or area occupied by state employees shall be designated as "non-smoking" except for custodial care and full-time residential facilities. The policy governing custodial care and full-time residential facilities may

be determined by the directors of such facilities.

Executive Order 2005-14 requires that all buildings owned or maintained by any State government agency or entity, or constructed or renovated specifically for use or occupancy by any such agency or entity shall conform to all existing state codes, including but not restricted to, the IDAPA 17.10.01, the Idaho General Safety and Health Standards Code, the Uniform Building Code, the Uniform Mechanical Code and the Uniform Fire Code. If any conflict arises between applicable codes, the more stringent code shall take precedence. **Prior to construction, or remodeling** of such buildings, where appropriate, plans shall be reviewed and approved by the **Division of Building Safety** and the Permanent Building Fund Advisory Council. **Any cost associated with that review will be at the expense of the Proposer. A copy of the Division of Building Safety's Plan Review Application is attached to this Request for Proposals as Exhibit D.**

BUILDING STANDARDS/CODES:

Lessors leasing space to the State must procure building permits, secure necessary inspections, and obtain a Certificate of Occupancy for the intended use prior to the lease taking effect.

Local governments have jurisdiction over privately owned buildings in the target area. The following codes are the minimum building and safety codes adopted by the state of Idaho and the federal government:

1. Idaho Code Title 67, Chapter 57, Section 8
2. International Building Code, 2003 Edition
3. International Mechanical Code, 2003 Edition
4. Uniform Plumbing Code, 2003 Edition
5. International Fuel Gas Code, 2003 Edition
6. Uniform Mechanical Code
7. International Energy Conservation Code, 2003 Edition
8. NFPA 70, 2002 Revised, National Electrical Code
9. Handicap Accessibility, Americans with Disabilities Act
10. Section 612 Idaho Safety Code 1, Air Standards
11. 2003 International Fire Code
12. American National Standards Institute (ANSI) A17.1
13. Federal Regulations Applicable to the occupying agency
14. Electronic Industry Association/Telecommunication Industry Association Standard, 1995, EIA/TIA-568 Standard
15. All Local Codes

These codes may be amended by the Division of Building Safety. An accurate listing of their codes can be located at http://dbs.idaho.gov/building/id_code.html.

FACILITY STANDARDS SHEET

AGENCY: Department of Health and Welfare **LOCATION:** Sandpoint

PROJECTED SQ FT: 12,500 **CURRENT SQ FT:** 11,788

PROJECTED FTE: 43

Area/Room OFFICES	# of FTE*	Sq Ft / FTE*	Total	Hard Walls or Open Office	# Data Ports	#Phone Ports	Remarks
HARD WALL OFFICE:							
Supervisors	6	120	720	Hard Wall	6	6	
OPEN OFFICE AREA:							
Professional Staff	25	120	3,000	Open Office	25	25	
Adjunct Desk Area	3	70	210	Open Office	3	3	Staff in office less than 60% of the time.
Support Staff	4	100	400	Open Office	4	4	
Clerical Pool	4	80	320	Open Office	4	4	
Receptionist	1	100	100	Open Office	1	1	
SPECIALTY AREAS:	# of Rms	Rm Size	Total Size				
Main Waiting Ares	1	450	450	Open Office	1	1	Design to include method of discouraging client traffic into staff working areas
Other Waiting Area	1	100	100	Open Office	1	1	
Main Conference Room	1	450	450	Hard Wall	2	2	Main conference rm should have access to public restrooms. Insulate for sound
Staff Conference Room	1	200	200	Hard Wall			
File Storage	3	200	600	Hard Wall	3	3	
Classroom	1	200	200	Hard Wall	7	7	Multi-purpose rm. Insulate for sound.
Group Room	2	150	300	Hard Wall	2	2	CFS Family Rms.
Therapy Room	1	180	180	Hard Wall	1	1	Sink and cabinets req'd.
Mail/Copy Room	1	240	240	Hard Wall	2	2	Dedicated outlets. Insulate for sound.
Computer Room	1	150	150	Hard Wall	2	2	10+ Dedicated outlets.
Break Room	1	200	200	Hard Wall		1	Cabinets, countertop, appl outlets.
Equipment Storage	2	150	300	Hard Wall	2	2	
Interview Rooms	6	100	600	Hard Wall	6	6	Insulate for sound.
Infant Therapy Room	1	900	900	Hard Wall		1	Insulate for sound. Should be adjacent to other infant therapy room.
Infant Therapy Room	1	140	140	Hard Wall		1	Insulate for sound. Should be adjacent to other infant therapy room.
Sub-Total			9,760		51	71	
** Add 30%		5,180	1,554	Hard Wall Factor			5210
***Add 25%		4,680	1,170	Open Office Factor			
TOTAL			12,484		51	71	

**EXHIBIT A RATING FACTORS
OFFICE AND RETAIL FACILITIES**

AGENCY NAME: Department of Health and Welfare - Sandpoint			
PROPOSED SQ FT: 12,500		PROPOSED FTE: 43	
Handicap Access (Yes or No)		"No" may disqualify office & retail properties	
RATING (Total = 100) Type of Factor	FACTOR	EXPLANATION OF FACTOR -	RECOMMEND'D RANGE
1 Cost*	Load Factor	Percent of usable to net rentable area. (Typically rent is based upon net rentable area)	0% to 10%
10 Cost*	Rent-1 st year	Budget is \$_____. Lease/Purchase Analysis Cost Ratio will need to be considered.	10% to 15%
10 Cost*	Rent-1st 5 yrs	Budget is for \$_____. Fits within 5-year plan. Lease/Purchase Analysis Cost Ratio will need to be considered.	10% to 15%
10 Cost*	Rent-1st 10 yrs	Fits within 5-year plan. Lease/Purchase Analysis Cost Ratio will need to be considered.	10% to 15%
5 Cost*	Rent Escalation Provisions	Rate increases, if any, should be capped. Pass-throughs on bldg. expenses (taxes, insurance, common area maintenance).	0% to 5% (0% if N/A)
2 Cost*	Proposer Incentives	Renewal options, free rent, reimbursement of moving costs, etc. Can be figured on a per square foot basis to obtain effective lease rate.	0% to 5% (0% if N/A)
4 Cost*	Finish Allowance	Must be adequate to cover agency requirements. (For new construction should be approx. \$20/SF; \$4 to \$5 will cover new carpet and paint in a remodeled space).	0% to 5% (0% if N/A)
0 Cost*	Free Parking	What, if any, will the cost be for the parking? Figure on a per sq ft basis – (Cost per space x 12 months, divided by 250 sq ft.)	0% to 10% (0% if N/A)
2 Construction	Site Issues	Are utilities available to the site? Is the zoning appropriate? Any known environmental or construction issues? Does site drainage appear to be adequate?	0% to 5%
3 Construction	Property Amenities	On-site conference facility, break room, fitness facilities, library, on-site storage provided at no or reduced cost to tenants.	0% to 5%
4 Construction	Exterior Condition	Maintenance and condition of building.	0% to 10%
4 Construction	Adequate Sq Ft	Size and usability of space. Floor plate size, # of stories of bldg. may be issues. (Could also be used as a "Yes" or "No". A "No" would disqualify property.)	0% to 10%
4 Construction	Interior Condition	Maintenance and condition of building.	0% to 10%
2 Construction	Expansion Capability	Is a First Right of Refusal on adjacent space provided? Has agency grown extensively in this area? Multi-tenant bldgs may provide more flexibility than a single-user bldg.	0% to 5%
2 Construction	HVAC & Energy	Anticipated cost of energy and efficiency of heating and air conditioning system.	0% to 5%
4 Construction	Security	Safety of employees, clients & equipment (exterior lighting, security service, controlled access, fenced parking areas).	0% to 10%
3 Construction	Proposer Qualifications	Experience & financial ability to construct or remodel a facility, property mgmt experience.	0% to 5%
4 Construction	Parking	Adequate for clients and employees? Would there be a delivery area available?	0% to 10%
2 Location	Adjacent Uses	Are surrounding uses professional in nature? Will there be any noise or odor issues? Is the property in a flight pattern?	0% to 5%
3 Location	Employee Accessibility	Is the property easy to access? Is the property close to a major thoroughfare? Will traffic in the area create a problem?	0% to 10%
2 Location	Visibility	Is visibility critical to this operation?	0% to 3%
0 Location	Bus Line	Is the property close to a bus line?	0% to 5%
3 Location	Collocation	Proximity to federal, state, local agencies offering reciprocal services.	0% to 3%
4 Location	Public Access	Is the property easy to find? Is the property close to a major thoroughfare? Will traffic in the area create a problem? Consider both auto and pedestrian access.	0% to 10%
4 Other	Agency Discretion	Other special requirements unique to Agency,	0% to 5%
4 Other	Purchase Option	Depending on location and 5-year plan, a "No" response from proposed Proposer might disqualify property from further consideration.	0% to 10%
2 Other	Quality of Proposal	Are there any incomplete items? Are there any inconsistent items?	0% to 3%
TOTALS			100%

*Cost should be between 30% to 45% of the total ranking.

EXHIBIT B PROPOSAL RANKING SHEET OFFICE AND RETAIL FACILITIES

AGENCY NAME:			PROPOSAL DUE DATE:				
Proposer Company, Name & Phone Number							
Street Address Location							
Square Footage (NRA) Floors of Building							
Rent/Sq Ft (NRA) 1 st yr, 1 st 5 yrs Rent Per Year- 1 st yr, 1 st 5 yrs Cost Ratio/Options to Renew Rent Increases & Pass-Thrus							
Projected Occupancy Date							
Handicap Access (Yes or No)			("No" disqualifies office & retail properties)		("No" disqualifies office & retail properties)		
RATING (Total =100)	FACTOR <i>Type of Factor</i>	Proposal #1 Comments/Notes	Score *	Score x Factor	Proposal #2 Comments/Notes	Score *	Score x Factor
1	Load Factor/ <i>Cost</i>						
10	Rent-1 st year/ <i>Cost</i>	Budget is \$_____.			Budget is \$_____.		
10	Rent-1 st 5 yrs/ <i>Cost</i>	Budget is for \$_____. Fits within 5-year plan.			Budget is for \$_____. Fits within 5-year plan.		
10	Rent-1 st 10 yrs/ <i>VCost</i>						
5	Rent Escalation/ <i>Cost</i>						
2	Proposer Incentives/ <i>Cost</i>						
4	Finish Allowance/ <i>Cost</i>						
0	Free Parking/ <i>Cost</i>						
2	Site Issues/ <i>Construction</i>						
3	Property Amenities/ <i>Construction</i>						
4	Exterior Condition/ <i>Construction</i>						
4	Adequate Sq Ft/ <i>Construction</i>						
4	Interior Condition/ <i>Construction</i>						
2	Expansion Capability/ <i>Construction</i>						
2	HVAC & Energy/ <i>Construction</i>						
4	Security/ <i>Construction</i>						
3	Proposer Qualifica- tions/ <i>Construction</i>						
4	Parking/ <i>Construction</i>						
2	Adjacent Uses/ <i>Location</i>						
3	Employee Accessibility/ <i>Location</i>						
2	Visibility/ <i>Location</i>						
0	Bus Line/ <i>Location</i>						
3	Collocation Issues/ <i>Location</i>						
4	Public Access/ <i>Location</i>						
4	Communications Cable/ <i>Construction</i>						
4	Purchase Option/ <i>Other</i>						
2	Quality of Proposal/ <i>Other</i>						
TOTALS							

*** Scoring Scale: 4=Excellent, 3=Good, 2=Fair, 1=Poor, 0= Unacceptable**

RANKED BY: _____ DATE: _____

Notes: _____

LEASE PROPOSAL FORM – Page One

LEASE PROPOSAL FOR Department of Health and Welfare LOCATION: Sandpoint

PROPOSED OCCUPANCY DATE: _____

THE PROPOSER

PROPOSAL SUBMITTED BY _____ (Company)
 _____ (Contact Person)
 _____ (Street Address)
 _____ (City, State, ZIP)
 _____ (Phone/Fax/Email)

CREDIT REFERENCES (Please provide three (3) verifiable references as noted below):

BANK REFERENCE: _____ (Company)
 _____ (Contact Person)
 _____ (Street Address)
 _____ (City, State, ZIP)
 _____ (Phone/Fax/Email)

TRADE REFERENCE: _____ (Company)
 _____ (Contact Person)
 _____ (Street Address)
 _____ (City, State, ZIP)
 _____ (Phone/Fax/Email)

TENANT REFERENCE: _____ (Company)
 _____ (Contact Person)
 _____ (Street Address)
 _____ (City, State, ZIP)
 _____ (Phone/Fax/Email)

QUALIFICATIONS (Please provide information as noted below):

COMMERCIAL DEVELOPMENT EXPERIENCE: _____

(Please provide brief narrative detailing size and nature of properties developed, locations and tenancies. A copy of your company's professional brochure may be attached to this proposal as additional information.)

COMMERCIAL PROPERTY MANAGEMENT EXPERIENCE: _____

(Please provide brief narrative detailing size and nature of properties managed, professional designations in property management, if any, landlord/tenant relationships with other governmental entities, etc. A copy of your company's professional brochure may be attached to this proposal as additional information.)

CAUTION: Any incomplete items in this proposal form may cause proposal to be discarded.

LEASE PROPOSAL FORM Page Two

COST OF THE FACILITY (5-YR LEASE W/ 5-YR OPTION)

RENT SCHEDULE: Please fill in the blanks below with each year's rent. The RFP requests a full-service lease. If any expenses such as utilities or janitorial service are not included in the rent, note on the line below the rent schedule.

Initial Lease Term	Annual Rent	Rent per Sq Ft per Year*	Option Period	Annual Rent	Rent per Sq Ft per Year*
Year 1	\$	\$	Year 6	\$	\$
Year 2	\$	\$	Year 7	\$	\$
Year 3	\$	\$	Year 8	\$	\$
Year 4	\$	\$	Year 9	\$	\$
Year 5	\$	\$	Year 10	\$	\$
Years 1-5	\$	\$	Years 6-10	\$	\$

ITEMS NOT INCLUDED IN RENT: _____

RENT ESCALATION PROVISIONS: If no increases are to be charged to State during the term of the lease, write "None". Due to budget approval issues, it is beneficial for the State to have caps on increases so it can plan accordingly.

CONSUMER PRICE INDEX (if applicable) BASE YR: 20			FIXED INCREASE (if applicable) %: or \$/SqFt:		BASE YR EXPENSE STOP (if applicable)						
Initial Lease Term	Yes	% Cap	Initial Lease Term	Yes	Base \$/SF*	Taxes	Insur	Util	Janit	Common Area Maint	% Cap
Year 1		%	Year 1		Year 1	-	-	-	-	-	-
Year 2		%	Year 2		Year 2						
Year 3		%	Year 3		Year 3						
Year 4		%	Year 4		Year 4						
Year 5		%	Year 5		Year 5						

DIRECT PASS-THROUGH OF BLDG EXPENSES (if applicable)							DETAIL OF COMMON AREA MAINTENANCE EXPENSE (If applicable, detail what exactly wld be charged as Common Area Maintenance)				
% of BLDG AREA:											
Current or Estimated Bldg Expenses:											
\$/SF	Taxes	Insur	Util	Janit	Common Area Maint	NNN Lease					
Initial Lease Term											
Year 1											
Year 2											
Year 3											
Year 4											
Year 5											

COMMENTS:

CAUTION: Any incomplete items in this proposal form may cause proposal to be discarded.

**Rent & Costs per Sq Ft to be based upon Net Rentable Area, as established by the BOMA method for measuring floor space.*

LEASE PROPOSAL FORM Page Three

COST OF THE FACILITY (10-YR LEASE W/ 5-YR OPTION)

RENT SCHEDULE: Please fill in the blanks below with each year's rent for a 10-year lease term. The RFP requests a full-service lease. If any expenses such as utilities or janitorial service are not included in the rent, note on the line below the rent schedule.

Lease Term	Annual Rent	Rent/Sq Ft/Yr*	Lease Term	Annual Rent	Rent/Sq Ft/Yr*
Year 1	\$	\$	Year 6	\$	\$
Year 2	\$	\$	Year 7	\$	\$
Year 3	\$	\$	Year 8	\$	\$
Year 4	\$	\$	Year 9	\$	\$
Year 5	\$	\$	Year 10	\$	\$
Years 1-5	\$	\$	Years 6-10	\$	\$

ITEMS NOT INCLUDED IN RENT: _____

RENT ESCALATION PROVISIONS: If no increases are to be charged to State during the term of the lease, write "None". Due to budget approval issues, it is beneficial for the State to have caps on increases so it can plan accordingly.

CONSUMER PRICE INDEX (if applicable)			FIXED INCREASE (if applicable)		BASE YR EXPENSE STOP (if applicable)						
BASE YR: 20			%: or \$/SqFt:		Base \$/SF*						
Lease Term	Yes	% Cap	Lease Term	Yes	Lease Term	Taxes	Insur	Util	Janit	Common Area Maint	% Cap
Year 1		%	Year 1		Year 1	-	-	-	-	-	-
Year 2		%	Year 2		Year 2						
Year 3		%	Year 3		Year 3						
Year 4		%	Year 4		Year 4						
Year 5		%	Year 5		Year 5						
Year 6			Year 6		Year 6						
Year 7			Year 7		Year 7						
Year 8			Year 8		Year 8						
Year 9			Year 9		Year 9						
Year 10			Year 10		Year 10						

DIRECT PASS-THROUGH OF BLDG EXPENSES (if applicable)							COMMON AREA MAINTENANCE EXPENSE (Detail Common Area Maintenance charges)				
% of BLDG AREA:											
Current or Estimated Bldg Expenses:											
\$/SF											
Term	Taxes	Insur	Util	Janit	Common Area	NNN					
Year 1											
Year 2											
Year 3											
Year 4											
Year 5											
Year 6											
Year 7											
Year 8											
Year 9											
Year 10											

CAUTION: Any incomplete items in this proposal form may cause proposal to be discarded.

*Rent & Costs per Sq Ft to be based upon Net Rentable Area, as established by the BOMA method for measuring floor space.

LEASE PROPOSAL FORM Page Four

COST OF THE FACILITY (CON'T)

TENANT FINISH ALLOWANCE: The State prefers the facility be finished on a turn-key basis. For comparison purposes, disclose estimated tenant finish cost. Proposals with the highest tenant finish allowance will be given the highest points. All others will be prorated according to the perceived degree of cost exposure to the State. In order to control costs, any changes to the plans after they are approved by the agency must be in writing and must include a cost estimate.

Allowance for Tenant Finish: \$ _____/SF ☐Below Ceiling Grid ☐To Deck

Based upon: ☐Net Rentable Area ☐Usable Area ☐Other (please detail: _____)

Does the Tenant Finish Allowance include space planning cost and architectural fees? If so, how much is estimated towards these costs? \$ _____.

Do you anticipate that the agency's stated needs will exceed the Tenant Finish Allowance as noted above? ☐Yes☐No If yes, Cost: \$ _____.

Please provide any recommendations to reduce the tenant finish cost to the Lessor (which will ultimately result in cost savings to both Lessor and the State): _____

PHONE/DATA WIRING ALLOWANCE: The State prefers the data and telephone wiring be performed by the Lessor to minimize disruptions to the Agency and damages to the facility. We realize it may be difficult to accurately determine the cost of these items until more specific plans and specifications can be agreed to between the parties. We, therefore, request that the Proposer provide an allowance towards this anticipated Lessor expense.

Allowance for Data/Phone Installation: \$ _____

Based upon: ☐Net Rentable Area ☐Usable Area ☐Other (please detail): _____

Are fiberoptics available to the building? ☐Yes ☐No

LESSOR INCENTIVES TO LEASE SPACE: The State can potentially provide a Lessor with a long-term tenancy and the security of a viable tenant. As such, please detail any financial incentives you would be willing to offer to offset the agency's moving expense and financial exposure:

Rent Discount For Annual Prepayment: _____%. (Rent pd in advance @ each fiscal yr(July of each yr).

Moving Expense Reimbursement: \$ _____. The Department of Health and Welfare anticipates its moving expense will exceed **\$13,000**.

Additional Services: _____
_____. (Such as enhanced building maintenance, additional services, provision of additional amenities which the Proposer feels will enhance the proposal beyond what is requested.)

Other Incentives: _____

(Examples could include free rent for a stated period of time, no escalations in rent for a stated period of time, allowance toward office furniture, additional tenant finish allowance, first right of refusal on adjacent space, etc.)

SQ FT: _____(Usable) _____(Net Rentable) _____(Gross) Load Factor: _____%

Please attach a floor plan to this Lease Proposal to indicate how the Proposed Facility will fit within the configuration of the building.

The State does not wish to have the Proposer expend a large amount of funds on initial floor plans and renderings since agency review will generally cause revisions. We are seeking more of a rough floor plan to provide the committee with a concept of the facility.

CAUTION: Any incomplete items in this proposal form may cause proposal to be discarded

LEASE PROPOSAL FORM Page Five

THE FACILITY

DESCRIPTION OF FACILITY: _____ Date of Construction _____
☐ New Construction ☐ To Be Built ☐ To Be Renovated ☐ As Is
☐ Single User Facility ☐ Multi-tenanted Bldg.
☐ Single-Story Bldg ☐ Multi-storied Bldg _____ # of Floors _____ Floor Plate Size
Would any expansion areas be available to the State in the future? _____ Yes _____ Sq Ft ☐ No

QUALITY OF LEASED SPACE:

Carpet weight: _____ Windows: ☐ Single glazed ☐ Double glazed
Window coverings: _____ Exterior windows _____ Interior windows
Class of Bldg: _____

(Please detail overall quality of the leased space, by "Class A", "Class B", "Class C" type space classifications as commonly used in the real estate industry. Photos and a property brochure may be attached to this proposal as supplemental information.)

Type of HVAC System: _____

ADA Accessibility: Proposer agrees to meet or exceed the handicapped accessibility requirements by ADA, including the interior of the facility and all site improvements. ☐ Yes ☐ No If no, explain why: _____

PROPERTY AMENITIES:

(Amenities available at the facility, such as on-site conference room, breakroom, fitness facility, library, on-site storage. Photos and a property brochure may be attached to this proposal as supplemental information.)

PROFESSIONAL STAFF:

ARCHITECT:	_____	(Company)
(must be licensed in	_____	(Contact Person)
the State of Idaho)	_____	(Credentials)
	_____	(Street Address)
	_____	(City, State, ZIP)
	_____	(Phone/Fax/Email)
ENGINEER:	_____	(Company)
(must be licensed in	_____	(Contact Person)
the State of Idaho)	_____	(Credentials)
	_____	(Street Address)
	_____	(City, State, ZIP)
	_____	(Phone/Fax/Email)
SPACE PLANNER:	_____	(Company)
(must be licensed in	_____	(Contact Person)
the State of Idaho)	_____	(Credentials)
	_____	(Street Address)
	_____	(City, State, ZIP)
	_____	(Phone/Fax/Email)

CAUTION: Any incomplete items in this proposal form may cause proposal to be discarded

LEASE PROPOSAL FORM Page Six

THE FACILITY (CON'T)

PROPERTY MANAGEMENT:

☐ (On-site) ☐ Off-site, located @ _____

_____ (Company)

_____ (Contact Person)

_____ (Credentials)

_____ (Street Address)

_____ (City, State, ZIP)

_____ (Phone/Fax/Email)

SERVICES INCLUDED IN LEASE:

Utilities: ☐Electricity ☐Gas ☐Water ☐Sewer ☐Other()

☐ Janitorial Service, with a frequency of _____ times per week. ☐ Snow Removal☐Landscape Maintenance ☐Security Patrol/Service ☐Facility Maintenance and Repair

PARKING: _____ # of Employee Spaces _____ # of Client Spaces _____ # of ADA Spaces _____ # of Reserved Spaces

Parking is ☐Off-street ☐On street ☐Paved ☐Gravel

Would a secured or fenced parking area be available for State vehicles? ☐ Yes _____ # of Spaces ☐ No

Would there be any cost for the use of this parking? ☐ Yes ☐ No If yes, Cost: \$ _____

SITE: _____ Current Zoning _____ Proposed Zoning Is a design review required? ☐ Yes ☐ No

Will the current zoning designation present any timing issues:

Are public utilities available to the site? ☐Yes☐No If no, detail potential issues and proposed resolution:

Has a Phase One Report been completed? ☐ Yes ☐ No _____

Are there any known environmental issues? ☐Yes ☐No If yes, detail potential issues and proposed resolution:

Are there any anticipated land development issues: ☐Yes ☐No If yes, detail potential issues and proposed resolution:

Is exterior lighting in the parking/loading areas planned for the site or already in place? ☐Yes ☐No

PURCHASE OPTION

In some cases, the State may seek to acquire facilities to meet its long-term facility needs.

The Proposer would provide a purchase option for this facility: ☐Yes ☐No

Proposed Purchase Price	Year of the Lease	Comments and Terms of Purchase

TEN OR TWENTY-YEAR LEASE W/ TITLE GOING TO STATE

In some cases, the State may seek to acquire facilities to meet its long-term facility needs. The Proposer would agree to a twenty (20) year lease with title going to the State at the end of a ten or twenty (20) year term upon authorization by the Legislature pursuant to Idaho Code §67-5708: ☐Yes ☐No

[illegible]

CAUTION: Any incomplete items in this proposal form may cause proposal to be discarded.

LOCATION OF THE FACILITY

NEAREST CROSS STREETS: _____

PROXIMITY TO FEDERAL, STATE AND LOCAL AGENCIES WITHIN 1 MILE RADIUS: _____

BENEFITS OF THIS LOCATION TO THE STATE: _____

EXHIBIT C – LEASE AGREEMENT FOR SPACE

THIS LEASE AGREEMENT FOR SPACE ("Lease Agreement") is entered effective upon the date of the last required signature (the "Effective Date"), by and between _____, Tax ID # _____ (the "Lessor"), and the STATE OF IDAHO, by and through the _____ (the "Lessee"), for the leasing of that real property described below and referred to as the "Premises." The Lessor and the Lessee may be referred to collectively as the "Parties." The Parties specifically agree and acknowledge that the approval signature of the Leasing Manager, Division of Public Works, Department of Administration, is a required signature.

WITNESSETH

WHEREFORE, in consideration of the mutual covenants, agreements, and conditions contained in this Lease Agreement, the Parties agree as follows.

1. Lease of Premises. The Lessor does hereby demise and lease to the Lessee the Premises situated in the City of _____, County of _____, State of Idaho, known and described as follows: _____ **Idaho**.

2. Term. The term of this Lease Agreement is _____ months. As time is of the essence, the term of this Lease Agreement shall begin on _____ and shall end at midnight on _____. The Parties agree that this Lease Agreement is subject to the termination, expiration and renewal rights set forth in this Lease Agreement. The Lessee may, at the expiration of the term of this Lease Agreement and without the necessity of renewing said Lease Agreement, continue in its occupancy of the Premises on a month to month basis upon the terms and conditions set forth in this Lease Agreement for a period not to exceed one (1) year. The Lessor may terminate the Lessee's month to month occupancy upon ninety (90) days' prior written notice to the Lessee.

3. Payment. The Lessee shall pay to Lessor a fixed payment for the term of this Lease Agreement in monthly installments of \$_____ each. The lease payment shall be computed at a rate of \$_____ per square foot, per year. The total square footage of the Premises is _____, subject to measurement using BOMA standard. The total yearly lease payment is \$_____. Upon election by the Lessee to pay in advance _____ quarterly, _____ semi-annually, or _____ annually, the Lessor shall allow Lessee a discount of _____ **Percent**. The lease payments shall be paid pursuant to the Lessor's timely submission of invoices for payment. Upon receipt, Lessee shall forward Lessor's invoice to the State Controller for payment. Lessor specifically acknowledges that State vouchers are processed by the State Controller, not Lessee. Therefore, any payment that is made no later than sixty (60) days after it is actually due shall not be considered an event of default. Lessee shall use its best efforts to expedite payment. It is expressly covenanted and agreed that any prepayment of rent made by the Lessee under the terms of this Lease Agreement shall be considered as an advance payment of rent only and no part thereof shall be considered as a security or cash deposit.

4. Acceptance of Premises. Lessor shall deliver the Premises to Lessee in accordance with floor plans and specifications attached to this Lease Agreement as Exhibit A, and incorporated herein by reference. Prior to or at occupancy, Lessee shall provide Lessor with a written statement acknowledging inspection and acceptance of the Premises. Lessee's obligations under this Lease Agreement shall not commence until Lessee's acceptance of the Premises. Lessee's inspection and acceptance of the Premises are based upon what may be reasonably observed by one untrained or unfamiliar with building inspections. At Lessee's discretion, Lessee may have particular conditions or parts of the Premises inspected by one trained or familiar with building inspections. In no event shall Lessee's inspection, or inspection by any agent of Lessee, be deemed a waiver of any defects in the Premises.

5. No Waste; Repairs. Lessee will not commit waste on the Premises, nor will it disfigure or deface any part of the building, grounds, or any other part of the Premises, including fixtures. Lessee further covenants that upon return, the Premises will be in the same condition as originally received, reasonable wear and tear excepted. Repairs, except those actually necessitated by Lessee's waste, disfigurement or defacement, and except for repairs required by the removal of Trade Fixtures as provided for in Paragraph 13 of this Lease Agreement, shall be made solely at the Lessor's expense. Any repairs shall be done in a workmanlike manner and must comply

with all applicable codes, ordinances, rules and regulations.

6. Services and Parking. The Lessor covenants that it will provide, perform, and pay for the services, maintenance and parking as follows:

A. Utilities:

Domestic water and sewer.
Electricity.
Natural Gas.
Irrigation.

B. Facility Repair and Maintenance:

General Building structure and related equipment (Interior and Exterior).
Heating system and related equipment.
Cooling and air handling system and related equipment.
Electrical system and related equipment.
Sewer and plumbing systems and related equipment.
Exterior lighting, including landscaped areas, parking area and walkway.
Cleaning ground and parking area of debris ☒ weekly ☐ monthly ☐ other: _____.
Common area janitorial service ☒ daily (excluding weekends and holidays) ☐ other: _____.
Trash removal from property ☒ weekly ☐ other: _____.
Furnishing of all washroom materials including paper products, soap, cleaning supplies and equipment.
Light bulb and fluorescent tube replacement.
Ice and snow removal prior to start of each business day.
Directory sign with Lessee name.
Door sign with Lessee name.
Lawn and shrubbery care weekly during season.

C. Custodial Services:

Complete Janitorial service ☒ daily (excluding weekends and holidays) ☐ other: ____
Trash removal from Premises ☒ daily (excluding weekends and holidays) ☐ weekly ☐ other: ____
Window cleaning ☒ quarterly ☐ other: ____
Carpet spot cleaning ☐ semi-annually ☐ annually ☒ as needed.
Shampoo carpet ☒ semi-annually ☐ annually ☐ as needed.

D. Parking: A total of _____ lighted and paved automotive parking spaces (including _____ of which will be secured) will be maintained with adequate ingress and egress available. Handicapped spaces will be provided equal to the requirements of the Americans With Disabilities Act (ADA).

7. Special Provisions.

a. Taxes. Lessor shall pay and discharge all taxes and assessments whatsoever charged against the Premises whether charged by federal, state, county, city or other public authority.

b. *This is where Options to Renew, Options to Purchase, First Right of Offer on Adjacent Space, Escalation Language would be addressed.*

c.

d.

e. Other Special Provisions. No other special provisions exist.

8. Failure to Repair, Maintain or Service. In the event that the Lessor shall fail or refuse to Make such repairs, perform such maintenance, provide such services, or to take any other action required of the Lessor pursuant to this Lease Agreement, Lessee shall give Lessor reasonable notice and time to cure and, failing such cure, Lessee may, at its option, make such repairs, perform such maintenance, provide such services, or take any such action, and deduct such sums expended doing so from the lease payments due to the Lessor. In the event that such failure or refusal prevents Lessee from occupying any or all of the Premises, Lessee may deduct a pro rata sum from its lease payments equal to the greater of the monthly cost per square foot of those Premises not acceptable for occupancy or the actual cost incurred by the Lessee to secure and occupy alternate premises. Lessee's decision to exercise this remedy shall not be deemed to limit its exercise

of any other remedy available under this Lease Agreement, at law or in equity.

9. Personal Injury Damages. Subject to any applicable provisions of the Idaho Tort Claims Act, Lessee agrees to defend and hold Lessor harmless for any and all claims based on proven personal injury damages suffered by public business invitees of the Lessee, provided, however, that Lessee shall have such obligation only for injuries and damages resulting from the negligent acts or omissions of employees of the Lessee and shall have no such obligation related to acts or omissions of employees or invitees of the Lessor.

10. Indemnification. Lessor hereby agrees to defend, indemnify and save Lessee harmless from and against any and all liability, loss, damage, cost, and expense, including court costs and attorneys' fees of whatever nature or type, whether or not litigation is commenced, that the Lessee may incur, by reason of any act or omission of the Lessor, its employees or agents or any breach or default of the Lessor in the performance of its obligations under this Lease Agreement. The foregoing indemnity shall not apply to any injury, damage or other claim resulting solely from the act or omission of the Lessee.

11. Use of Premises. Lessee shall use the Premises for the following purposes:_____. Lessor warrants that, upon delivery, the Premises will be in good, clean condition and will comply with all laws, regulations or ordinances of any applicable municipal, county, state, federal or other public authority respecting such use as specified above. Lack of compliance shall be an event of default and shall be grounds for termination of this Lease Agreement.

12. Fire or Damage.

A. Damage or Destruction Renders Premises Unfit for Occupancy. If, during the term of this Lease Agreement, the Premises, or any portion thereof, shall be destroyed or damaged by fire, water, wind or any other cause not the fault of Lessee so as to render the Premises unfit for occupancy by Lessee, this Lease Agreement shall be automatically terminated and at an end. Lessee shall immediately surrender the Premises to Lessor and shall pay rent only to the time of such surrender. If comparable and acceptable office space can be provided by the Lessor within thirty (30) days of the date of destruction or damage, the Lessee may elect, at its sole option, to relocate to such substitute office space and all relocation costs shall be at the sole expense of the Lessor. Rents will be continued upon occupancy at the lesser of: (i) the current lease rate; or (ii) the market rate for the substitute space. Such relocation shall be for the remainder of this Lease Agreement or any extension.

B. Some Portion Fit for Occupancy.

(i) Notwithstanding any other provision of this Lease Agreement, if less than fifty percent (50%) of the Premises are destroyed or damaged, and if that portion of the Premises may be restored within ninety (90) days to as good a condition as originally received, the Lessee may elect to continue this Lease Agreement and Lessor shall have the option to restore the Premises. Lessee shall give written notice of its intention to continue this Lease Agreement within thirty (30) days after such damage or destruction occurs. If Lessor does not elect to restore the Premises, the Lessor shall provide the Lessee with written notice of that fact and this Lease Agreement shall automatically terminate effective as of the date of destruction or damage.

(ii) If the Lessor elects to restore or rebuild pursuant to the option provided in paragraph 12.B.(i), the rents otherwise due Lessor by Lessee shall be abated equal to the monthly cost per square foot of the unoccupied Premises for that period of time during which restoration or rebuilding of the Premises occurs. If the Lessee is unable to occupy all or part of the Premises during the restoration then, at the option of the Lessee, the Lessee may be relocated to comparable and acceptable office space and all relocation costs shall be at the sole expense of the Lessor. If such restoration or rebuilding exceeds ninety (90) days beyond the date of the destruction or damage to the Premises, Lessee may terminate this Lease Agreement without liability of any kind save payment for actual occupancy of the Premises prior to termination.

C. Prepaid Rent. In the event that this Lease Agreement is terminated as the result of damage or destruction to the Premises during any period of its term for which the Lessee has prepaid rent, the Lessor shall, within ten (10) days from the date of notification of termination by the Lessee, refund the full amount of any prepaid rent not then applied to a period of the Lessee's actual occupancy of the Premises. In the event that the Lessor does not timely remit the full amount of any prepaid rent to the Lessee, the Lessee shall be entitled to collect the full amount of its prepaid rent from insurance proceeds in the manner set forth in this Lease Agreement.

13. Alterations. Except as otherwise agreed, subsequent to the Effective Date and during the term of this Lease Agreement and any extension, neither Lessor nor Lessee shall make any alterations, additions or improvements to the Premises without the prior written consent of the other. Any and all alterations and improvements made by Lessee shall be made at Lessee's sole expense and, subject to the exception for Trade Fixtures provided below, shall, upon termination of this Lease Agreement, and without disturbance or injury, become the property of the Lessor, and shall remain in and be surrendered with the Premises. Any such alterations, whether performed by Lessor or Lessee, must be made in a workmanlike manner and must comply with all applicable codes, ordinances, rules and regulations. Notwithstanding any other provision of this Lease Agreement, Trade Fixtures, as defined in this Lease Agreement, installed by Lessee shall, at the option of the Lessee, not become the property of the Lessor and, upon the termination of this Lease Agreement, the Lessee may remove such Trade Fixtures and return the Premises in as close to original condition as possible, reasonable wear and tear excepted. For purposes of this Lease Agreement, a Trade Fixture is defined as personal property used by the Lessee in the conduct of its business and includes items such as, but not limited to, shelves and reception counters.

14. Default. In the event that either party shall default in the performance of any material term, covenant, or condition of this Lease Agreement, the party not in default may at its option terminate this Lease Agreement. The party alleging default must provide written notice of said default, specifying the alleged default, and the receiving party shall have fifteen (15) business days to cure or shall immediately provide written documentation that it is proceeding to cure the default in an expedited manner (e.g., working overtime, express delivery, etc.). Should Lessee be in default by surrendering occupancy of the Premises in some manner violative of the terms of the Lease Agreement, Lessor may reenter the Premises without affecting its right of recovery of accrued rent therefor; provided, however, the Lessor shall exercise due diligence to mitigate any and all future losses of rent or damages that may result due to the failure of the Lessee to occupy the Premises.

15. Sufficient Appropriation by Legislature Required. It is understood and agreed that the Lessee is a governmental entity, and this Lease Agreement shall in no way or manner be construed so as to bind or obligate the State of Idaho beyond the term of any particular appropriation of funds by the State legislature as may exist from time to time. The Lessee reserves the right to terminate this Lease Agreement if, in its judgment, the legislature of the State of Idaho fails, neglects or refuses to appropriate sufficient funds as may be required for Lessee to continue such lease payments. All future rights and liabilities of the Parties shall thereupon cease within ten (10) days after the notice to the Lessor. It is understood and agreed that the lease payments provided for in this Lease Agreement shall be paid from State legislative appropriations.

16. Assignment by Lessee - Right to Terminate Lease Agreement at Direction of Idaho Department of Administration. The parties to this Lease Agreement recognize and agree that Lessee, as an agency of the State of Idaho, is subject to the direction of the Idaho Department of Administration pursuant to Title 67, Chapter 57, Idaho Code, and, specifically, the right of that department to direct and require Lessee to remove its operations from the Premises and relocate to other facilities owned or leased by the State of Idaho. Accordingly, it is agreed that, upon the occurrence of such event, Lessee may terminate this Lease Agreement at any time after a one-year period from the date of the commencement of the Lease Agreement as determined under Paragraph 2, provided that Lessor is notified in writing ninety (90) days prior to the date such termination is to be effective. Such action on the part of the Lessee will relieve the Lessee and the State of Idaho of liability for any rental payments for periods after the specified date of termination or the actual date of surrender of the Premises, if later. Additionally, the Department of Administration, at its option, upon providing thirty (30) days' written notice to the Lessor, may relocate the Lessee and assign the space to another state agency, department or institution. The provisions of the Lease Agreement will continue in full force and effect upon such assignment by the Department of Administration.

17. Officials, Agents and Employees of Lessee Not Personally Liable. It is agreed by and between the Parties that in no event shall any official, officer, employee or agent of the State of Idaho be in any way liable or responsible for any covenant or agreement contained in this Lease Agreement, express or implied, nor for any statement, representation or warranty made in or in any way connected with this Lease Agreement or the Premises. In particular, and without limitation of the foregoing, no full-time or part-time agent or employee of the

State of Idaho shall have any personal liability or responsibility under this Lease Agreement, and the sole responsibility and liability for the performance of this Lease Agreement and all of the provisions and covenants contained in this Lease Agreement shall rest in and be vested with the State of Idaho.

18. Relation of Parties. The Parties agree and acknowledge that neither shall be considered the employer, agent, representative, or contractor of the other by reason of this Lease Agreement.

19. Notices. Any notice required to be served in accordance with the terms of this Lease Agreement shall be sent by registered or certified mail. Any notice required to be sent by the Lessee shall be sent to the Lessor's last known address at _____ and any notice required to be sent by the Lessor shall be sent to the address of the Premises and to the Lessee's address in Boise, i.e., _____. A copy of any such notice shall also be sent to the Department of Administration, Division of Public Works, Attn: Leasing Manager, Post Office Box 83720, Boise, ID 83720-0072. In the event of a change of address by either Lessor or Lessee, the Parties agree to notify each other in writing within ten (10) days of the date of any such change.

20. Insurance. The Lessor shall maintain an insurance policy (or policies) for the purpose of insuring any property and liability risks regarding the Premises. Any such policy obtained by the Lessor shall be at its sole and absolute expense, and Lessee shall have no obligation to obtain or pay for such insurance. In the event that the Lessee shall prepay rent in the manner set forth in this Lease Agreement, the insurance policy (or policies) obtained and maintained by the Lessor shall identify the Lessee as a named insured under the terms of the policy. Any such insurance policy shall further state that the Lessee shall be entitled to receive insurance proceeds in the full amount of any prepaid rent prior to any distribution of insurance proceeds to the Lessor or any other third party not having an insurable interest in the Premises. The Lessor shall provide the Lessee with a copy of its insurance policy on or before the term this Lease Agreement commences. The Lessee acknowledges that its personal property is subject to coverage in accordance with state law.

21. Heirs and Assigns. The terms of this Lease Agreement shall apply to the heirs, executors, administrators, successors and assigns of both the Lessor and the Lessee in like manner as to the original parties. Any assignment of this Lease Agreement must be approved by the State Board of Examiners in accordance with Idaho Code § 67-1027. If the Lessor assigns its interest in this Lease Agreement pursuant to a sale or other conveyance of the Premises (except a conveyance as contemplated by Paragraph 34) to a person or entity expressly assuming Lessor's obligations under this Lease Agreement, Lessee agrees, subject to obtaining the approval required by Idaho Code § 67-1027, to continue under this Lease Agreement and to recognize the new owner as the Lessor. This paragraph shall not in any way act as a release of any claim by Lessee as against the original Lessor nor shall it act as a waiver of any default under this Lease Agreement existing at the time of such sale or conveyance and assignment to the extent that any such default continues and remains uncured after such sale and assignment.

22. Nonwaiver. The failure of the Lessor or Lessee to insist upon strict performance of any of the covenants and agreements of this Lease Agreement or to exercise any option contained in this Lease Agreement shall not be construed as a waiver or relinquishment of any such covenant or agreement, but the same shall be and will remain in full force and effect unless such waiver is evidenced by the prior written consent of authorized representatives of the Lessor and Lessee.

23. Modification. This Lease Agreement may be modified in any particular only by the prior written consent of authorized representatives of the Lessor and Lessee. **Anything else contained herein notwithstanding, modifications to this Lease Agreement shall be of no force and effect until approved in writing by the Department of Administration, Division of Public Works.**

24. Renewal. This Lease Agreement may be renewed by the written consent of the Lessor and Lessee provided such consent is rendered sixty (60) days in advance of the expiration of the term of this Lease Agreement. Notice of Lessor's offer to renew shall be given by the Lessor one hundred twenty (120) days prior to the expiration of this Lease Agreement, including any extension. Lessee will have thirty (30) days to respond to Lessor's offer. If agreement is not reached by sixty (60) days prior to the expiration of the Lease Agreement, Lessor may lease the

Premises to another party, but not on more favorable terms than offered to Lessee, without first giving Lessee ninety (90) days to accept or reject those new terms.

25. Asbestos and Health Hazards. Lessor agrees to comply promptly with all requirements of any legally constituted public authority made necessary by any unknown or existing health hazard including, but not limited to, such hazards which may exist due to the use or suspected use of asbestos or asbestos products in the Premises. The Lessor warrants that it has inspected the Premises for health hazards, specifically for the presence of asbestos, and the inspection has not detected asbestos, or if Lessor's inspection has revealed asbestos, then Lessor warrants that it has been removed or been encapsulated in accordance with current law and regulations. In the event that asbestos or another health hazard is discovered on the Premises, the Lessor agrees to protect the Lessee and its employees and to take immediate corrective action to cure the problem. It is agreed that, in the event the Lessee is unable to continue occupancy of the Premises due to the presence of asbestos or any other health hazard, or because of any governmental, legislative, judicial or administrative act, rule, decision or regulation, the Lease Agreement may be terminated by the Lessee upon ten (10) days' written notice to the Lessor. Any asbestos abatement costs, and any other repair or renovation costs associated with asbestos or other health hazard, as well as moving costs and consequential damages, will be at the sole expense of the Lessor.

26. Non Discrimination. The Lessor hereby agrees to provide all services funded through or affected by this Lease Agreement without discrimination on the basis of race, color, national origin, religion, sex, age, physical/mental impairment, and to comply with all relevant sections of: Title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; The Age Discrimination Act of 1975 and to comply with pertinent amendments to these acts made during the term of this Lease Agreement. The Lessor further agrees to comply with all pertinent parts of federal rules and regulations implementing these acts. The Lessor hereby agrees to provide equal employment opportunity and take affirmative action in employment on the basis of race, color, national origin, religion, sex, age, physical/mental impairment, and covered veteran status to the extent required by: Executive Order 11246; Section 503 of the Rehabilitation Act of 1973, as amended; Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974 and to comply with all amendments to these acts and pertinent federal rules and regulation regarding these acts during the term of the Lease Agreement.

27. Handicap Accessibility. Any space leased by the State of Idaho will meet or exceed standards for handicap accessibility as set out in the American National Standards Institute A117-1, 1992; Americans With Disabilities Act, Public Law 101-336 and applicable regulations; Uniform Building Code Chapter 11; and federal regulations applicable to the occupying agency.

28. Executive Order 2005-14. All buildings owned or maintained by any state government agency or entity, or which are constructed or renovated specifically for use or occupancy by any such agency or entity shall conform to all existing state codes, including but not restricted to, the Idaho General Safety and Health Standards, the Uniform Building Code, the Uniform Mechanical Code and the Uniform Fire Code. If any conflict arises between applicable codes, the more stringent code shall take precedence. Prior to construction or remodeling of such buildings, where appropriate, construction plans shall be reviewed and approved by the Division of Building Safety and the Permanent Building Fund Advisory Council.

29. Executive Order 2005-12. Executive Order 2001-04 requires that long-term energy costs, including seasonal and peaking demands upon the suppliers of energy, are to be a major consideration in the construction of all state buildings and the execution of lease agreements. Special attention shall include energy conservation considerations including: (i) Chapter 13 of the Uniform Building Code, 1997 Edition; (ii) use of alternative energy sources; (iii) energy management systems and controls to include effective means to monitor and maintain systems at optimal operations; (iv) "state-of-the-art" systems and equipment to conserve energy economically.

30. Executive Order 2005-10. Executive Order 2000-01 requires that all state-owned or state-lease buildings, facilities or area occupied by state employees shall be designated as "non-smoking" except for custodial care and full-time residential facilities. The policy governing custodial care and full-time residential facilities may be

determined by the directors of such facilities.

31. Material Representations. The Parties agree and acknowledge that the representations and acknowledgments made in this Lease Agreement are material and the Parties have relied upon them in entering this Lease Agreement.

32. Severability. If any term or provision of this Lease Agreement is held by the courts to be illegal or in conflict with any existing law, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be continued and enforced as if the invalid term or provision were not contained in this Lease Agreement.

33. Lessor's Right to Lease. The Lessor warrants that it is lawfully possessed of the Premises and has good, right and lawful authority to enter into this Lease Agreement and that the Lessor shall put the Lessee into actual possession of the Premises at the commencement of the term of this Lease Agreement and shall ensure to the Lessee the sole, peaceable, and uninterrupted use and occupancy of the Premises during the full term of this Lease Agreement and any extension.

34. Mortgages by Lessor. Lessee recognizes that Lessor may encumber the Premises by a mortgage(s) or other instrument securing Lessor's obligations to a lender. In such event, the following provisions apply as to the holder of any such mortgage or security instrument and to any person or entity acquiring an interest in the Premises through such mortgage or security interest:

A. In the event of a foreclosure or acquisition by the holder of such mortgage or security instrument, (or by a third party at a foreclosure sale), this Lease Agreement shall continue in full force and effect and the holder or other acquiring party shall be entitled to the benefits of the Lessee's performance under this Lease Agreement and shall have such remedies as are available to the Lessor under this Lease Agreement with respect to any default by the lessee then existing or thereafter occurring.

B. Upon written notification to Lessee of a completed foreclosure or other acquisition by the holder or third party purchaser at a foreclosure sale, Lessee will attorn to the acquiring party and shall thereafter perform.

C. In the event of a foreclosure or acquisition by the holder of such mortgage or other security instrument (or by a third party purchaser at a foreclosure sale), claims by Lessee against the Lessor arising prior to acquisition by the holder or third party purchaser shall not apply to such holder or third party purchaser, provided, however, that this shall not act as a waiver of any rights of Lessee by reason of default under this

Lease Agreement existing at the time of such foreclosure sale or other acquisition or thereafter arising, to the extent that such default is not cured under the provisions of this Lease Agreement.

35. Estoppel Certificate. Lessee agrees, upon reasonable written request, and from time to time, to provide to Lessor an Estoppel Certificate in the form attached hereto as B.

36. Complete Statement of Terms. No other understanding, whether oral or written, whether made prior to or contemporaneously with this Lease Agreement, shall be deemed to enlarge, limit or otherwise affect the operation of this Lease Agreement.

IN WITNESS WHEREOF, the Parties have executed this Lease Agreement as set forth above.

LESSOR:

STATE OF _____)

)ss.

COUNTY OF _____)

On this _____ day of _____, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the person whose name is subscribed to the foregoing instrument on behalf of _____ as Lessor, and acknowledged to me that he/she executed the same on behalf of the Lessor.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Commission expires on _____

Residing at _____

LESSEE:

STATE OF _____)

)ss.

COUNTY OF _____)

On this _____ day of _____, 2006, before me, the undersigned, a Notary Public in and for said State, personally appeared _____, known or identified to me to be the person whose name is subscribed to the foregoing instrument on behalf of _____ as Lessee, and acknowledged to me that he/she executed the same on behalf of the Lessee.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year in this certificate first above written.

Commission expires on _____

Residing at _____

APPROVED BY:

Linda S. Miller, State Leasing Manager
Division of Public Works, Department of Administration

Date

**EXHIBIT A TO THE LEASE AGREEMENT
THE PREMISES
IDAHO**

EXHIBIT B TO THE LEASE AGREEMENT

ESTOPPEL CERTIFICATE

This Estoppel Certificate is made by _____,
(hereinafter "Lessee") the lessee of those certain premises located at
_____, [_____, Idaho], and described as
_____, and leased by Lessee from
_____ (hereinafter "Lessor").

NOW THEREFORE, Lessee certifies and represents to Lessor and its successors, mortgagees and assigns and their attorneys, representatives, with respect to the above described lease as follows:

1. The true, correct and complete copy of the lease, including all amendments or addendum thereto (hereinafter collectively referred to as the "Lease") is attached hereto.
2. The Lease contains the entire agreement between Lessor and Lessee, and to the best of Lessee's knowledge, as of the date hereof, Lessor is not in default in the performance of the terms and provisions of the Lease.
3. The Lease is for approximately _____ square feet. The Lease began on _____ and will end on _____.
4. Lessee has paid all rents due under the Lease for the period through and including _____, and Lessee has paid no other rent or compensation in lieu of rent in advance beyond such date. As of the date hereof, rent due from Lessee to Lessor is in the amount of \$ _____ per month plus such additional rent as called for in the Lease.

DATE: _____

LESSEE

EXHIBIT D – DIVISION OF BUILDING SAFETY, BUILDING BUREAU PLAN REVIEW APPLICATION

NOTE: For informational purposes only. Plans and specifications must be approved in writing by the agency prior to submittal to Division of Building Safety. Any changes to the plans and specifications after they are approved by the agency must be in writing and must include a cost estimate.

Division of Building Safety
1090 East Watertower Street P O Box 83720
Meridian, ID 83642 Boise, ID 83720-0060
Phone: 208.334.3896 / Fax: 208.885.9399

(Building Bureau Use Only)
P.A. #: _____
Initial Plan Review Fee: \$ _____
Receipt #: _____

Applicable codes: See http://dbs.idaho.gov/building/id_code.html for confirmation of codes
2003 IBC (including supplement accessibility requirements; 2003 IMC; 2003 IFGC;
2003 IECC; 2003 IRC (excluding IRC parts VII & VIII); 1999 NEC; 2003 UPC;

1. Application must include: 3 complete copies of the plans and specifications; 2 copies of the structural calculations and the energy code compliance documents. All submittal documents must be signed by an Idaho licensed architect, except applicable sheets signed by an Idaho licensed engineer responsible for the design of the civil, structural, mechanical or electrical system.
2. Project Owner: _____ Phone: _____
(School District, State Agency or Others)
3. Project Location: _____
(Address, Building Name)
4. Budgeted Project Valuation: \$ _____
5. Architect or Engineer: _____ Phone: _____
6. Project Description: _____
7. Scope of Drawings: Building ☐ Plumbing ☐ HVAC ☐ Electrical ☐ Elevator/Lift ☐ (Check all that apply)
8. Building Uses: New _____
Existing _____
9. Type of Construction: New: I-A ☐ I-B ☐ II-A ☐ II-B ☐ 111-A ☐ III-B ☐ IV ☐ V-A ☐ V-B ☐ (Check all
Existing: I-A ☐ I-B ☐ II-A ☐ II-B ☐ 111-A ☐ III-B ☐ IV ☐ V-A ☐ V-B ☐ that apply)
10. Area Separation Walls: New: Yes ☐ No ☐ Existing: Yes ☐ No ☐
11. Number of Stories: New _____ Existing _____ Basement: Yes ☐ No ☐ Area _____ s. f.
12. Building Area: New _____ s.f. Existing _____ s.f. (exclude basement area)
13. Fire Sprinkler System Throughout: New: Yes ☐ No ☐ Existing: Yes ☐ No ☐
14. The fire sprinkler system is for: fire flow reduction ☐ allowable area increase ☐ allowable story increase ☐
1 hr fire rated construction substitution ☐ Other: _____
15. Partially Fire Sprinkler System: Yes ☐ No ☐ Reason: _____
16. Agency Requesting Plan Review: _____
17. Applicant's Name: _____ Date: _____ Phone: _____
(Printed) _____

(Signature)